

Idaho Legislative Audits
P.O. Box 83720
Boise, ID 83720-0054
208-334-2475



Idaho State Library

Management Report on Internal Control

Issued: June 22, 2004
Fiscal Year: 2001, 2002, and 2003



EXECUTIVE SUMMARY LEGISLATIVE AUDITS

IDAHO STATE LIBRARY

PURPOSE AND SCOPE. In planning and making our audit of the statewide basic financial statements, we performed certain audit procedures to evaluate the effectiveness of the Idaho State Library's internal control design and operation. Consequently, the limited scope of our procedures does not allow us to give an opinion on the Library's internal control system. Accordingly, we do not express an opinion or ensure that all instances of internal control weaknesses were disclosed.

Our purpose was to indicate where internal controls could be strengthened to help ensure accurate financial statements and data. This evaluation, together with other evaluations and various audit procedures applied at other agencies, allows us to express an opinion on the statewide basic financial statements prepared by the State Controller's Office.

CONCLUSION. We noted no matters involving the internal control over the Library's financial reporting and or its operation that we considered to be material weaknesses. However, our consideration of the internal control over financial reporting would not necessarily disclose all matters considered to be a material weakness.

FINDINGS AND RECOMMENDATIONS. There are no findings and recommendations in this report.

PRIOR FINDINGS AND RECOMMENDATIONS. The prior audit report contained one finding and recommendation, involving the Library's federal grant pass-through to local libraries. The State Library passed through approximately \$1 million in fiscal years 1999 and 2000, to local libraries without monitoring the expenditures for allowability; thereby allowing expenditures to be made on activities that may not be permitted. The State Library now monitors all grants over \$50,000 made to the local libraries. This finding and recommendation is considered resolved. **CLOSED.**

AGENCY RESPONSE. The agency reviewed the report and is in general agreement with its contents.

FINANCIAL SUMMARY. During fiscal year 2003, the State Library was funded primarily by a \$2.3 million General Fund appropriation. Other funding sources include: (1) \$794,000 in federal funds; (2) \$317,000 from the Library Improvement Fund, mostly from a transfer from the Department of Education; and (3) \$65,000 in miscellaneous funds. These funds are used for State Library administration and include approximately \$250,000 in grants to local libraries. Total

personnel costs are approximately \$1.8 million; operating expenses are \$1.4 million; and capital outlay is \$28,000.

Although an opinion is not given on the financial data presented in this report, one is given on all State funds in the statewide *Comprehensive Annual Financial Report* that includes the financial data presented here.

Idaho State Library - Fiscal Year 2001

	July 1, 2000 Beginning Balance/ Appropriation	Receipts	Transfers In	Disbursements	June 30, 2001 Ending Cash/ Appropriation
General (Fund 0001)	\$2,574,840.48	\$0.00	\$0.00	\$2,555,567.07	\$19,273.41
Library Improvement Fund (0304)	73,219.50	65,659.31	265,000.00	270,200.00	133,678.81
Federal Fund (0348)	7,161.97	966,150.47	0.00	970,955.48	2,356.96
Miscellaneous Revenue (Fund 0349)	14,409.72	142,293.29	0.00	146,354.31	10,348.70
Total	\$2,669,631.67	\$1,174,103.07	\$265,000.00	\$3,943,076.86	\$165,657.88

Idaho State Library - Fiscal Year 2002

	July 1, 2001 Beginning Balance/ Appropriation	Receipts	Transfers In	Disbursements	June 30, 2002 Ending Cash/ Appropriation
General (Fund 0001)	\$2,874,290.88	\$0.00	\$0.00	\$2,812,499.25	\$61,791.63
Library Improvement Fund (0304)	133,678.81	14,513.52	265,000.00	272,302.48	140,889.85
Federal Fund (0348)	2,356.96	897,633.28	0.00	895,289.32	4,700.92
Miscellaneous Revenue (Fund 0349)	10,348.70	74,240.82	0.00	28,874.64	55,714.88
Total	\$3,020,675.35	\$986,387.62	\$265,000.00	\$4,008,965.69	\$263,097.28

Idaho State Library - Fiscal Year 2003

	July 1, 2002 Beginning Balance/ Appropriation	Receipts	Transfers In	Disbursements	June 30, 2003 Ending Cash/ Appropriation
General (Fund 0001)	\$2,308,569.80	\$0.00	\$0.00	\$2,308,333.36	\$236.44
Library Improvement Fund (0304)	140,889.85	16,645.93	300,000.00	284,380.00	173,155.78
Federal Fund (0348)	4,700.92	793,994.45	0.00	793,651.20	5,044.17
Miscellaneous Revenue (Fund 0349)	55,714.88	65,255.65	0.00	97,545.93	23,424.60
Total	\$2,509,875.45	\$875,896.03	\$300,000.00	\$3,483,910.49	\$201,860.99

OTHER ISSUES. We discussed other, less important issues which, if changed, would improve internal control, ensure compliance, or improve efficiency.

This report is intended solely for the information and use of the Idaho State Library and the Idaho Legislature and is not intended to be, and should not be, used by anyone other than these specified parties.

We appreciate the cooperation and assistance given us by the State Librarian, Dr. Charles Bolles, and his staff.

QUESTIONS CONCERNING THIS DOCUMENT SHOULD BE DIRECTED TO:

Ray Ineck, CGFM, Supervisor, Legislative Audits

Eugene Sparks, CPA, CGFM, Managing Auditor

Report IC52103

<p>For a copy of the entire audit report , contact Legislative Services Office, Audit Division, State Capitol Building, 700 W. Jefferson Street, P.O. Box 83720, Boise, Idaho 83720-0054, or call 208-334-3540.</p>
